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Governor

Delivering On The Promise:

Strategies and Savings

for a

“Fiscally Fit”

Rhode Island



Fiscal Fitness

Delivering on the Promise

Join the Governor's

FISCAL
Fitness
PROGRAM



Shaping Up RI Government

VISION STATEMENT

Rhode Island will become a model for the delivery of cost-effective government services to satisfied citizens who have confidence that tax dollars are being spent efficiently. State employees will be treated with dignity and respect, and be recognized for innovation and superior service to the citizens of Rhode Island.



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How We Got There: The Road to Improvement

- State employee driven - 60 team members
- Thousands of documents,
- Hundreds of employee emails
- Hundreds of telephone hot-line suggestions
- 8 months of inquiry
- Roughly 325 ideas considered

Resulting in 140 concrete ideas for driving down cost and making government work better for Rhode Islanders



Fiscal Fitness *Results*

Annual taxpayer savings:

\$180,000,000

Taxpayer savings in the first five years:

\$650,000,000





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Major Findings

- State government is out of shape... years of cuts without streamlining operations have frustrated workforce and taxpayers
- Departments are largely independent, having to use precious resources for redundant overhead functions
- Personnel system is hampered by disjointed laws, contracts and policies governing recruitment, hiring, and promotions. This leads to a top-heavy organization.
- There are no performance reviews or rewards for excellence.



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Major Findings

- Information Technology has made huge strides in others states. In many instances, Rhode Island has stayed far behind.
- Overall Financial management is hampered by a lack of timely and accurate information.
- Revenue collection efforts are too lean, bulk purchasing power goes underutilized.
- State government does not have a definitive record of what property it owns, nor a master plan for property use
- State buildings are allowed to crumble; there is surplus property yet costly leases continue





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Major Findings

- Health and human service departments have excellent programs – but they are fragmented – this is a burden to families and the state.
 - Need to do a better job of monitoring eligibility, combating fraud and abuse.
- Public safety and homeland security need to be upgraded to meet today's new challenges: better training, technology, equipment.
 - These agencies need better coordination, policies and practices need to be standardized.





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Big Idea #1

- Consolidate key management functions into Department of Administration
 - Human Resources
 - Information Technology
 - Facilities Management
- Strengthen financial management systems



Department of Administration

Human Resources

What We Need To Do

- Centralize all human resources functions into the Department of Administration
- Drive improvements in:
 - Labor Management
 - Benefits Administration
 - Training
 - Employee Communication
 - Performance standards





Department of Administration

Information Technology

What We Need To Do

- Centralize all information technology functions into the Department of Administration
 - Invest - Get into the 21st century
 - Develop expertise and consistency
 - Standardize systems
 - Reduce licensing costs
 - Provide better data to program managers





Department of Administration

Facilities

What We Need To Do

- Centralize all facilities management functions into the Department of Administration
 - Conduct unprecedented inventory of all properties
 - Mount effort to sell surplus properties
 - Utilize more state-owned properties
 - Reduce dependence on leases
 - Standardize practices for better maintenance





Department of Administration

Financial Management

What We Need To Do

- Create the post of Chief Financial Officer to oversee the state's finances
 - Create real-time spending reports for program accountability
 - Upgrade financial management systems
 - Develop state tax policy
 - Ramp up collections of unpaid taxes



What We Will Save



Personnel Savings	\$ 54,000,000
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Cost sharing , Health plan re-design, Consolidating HR FTEs

Operational Savings	\$ 11,000,000
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Purchasing reforms, Mail processing

Overhead Savings	\$ 500,000
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Lease reductions, IT investments

Improved Collections	\$ 25,000,000
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Tax clearance for licensure , Additional revenue officers, Surplus property



Total DOA Savings:	\$ 90,500,000
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Big Idea #2

***Create a Secretariat
for
Health and Human Services***




What We Need To Do

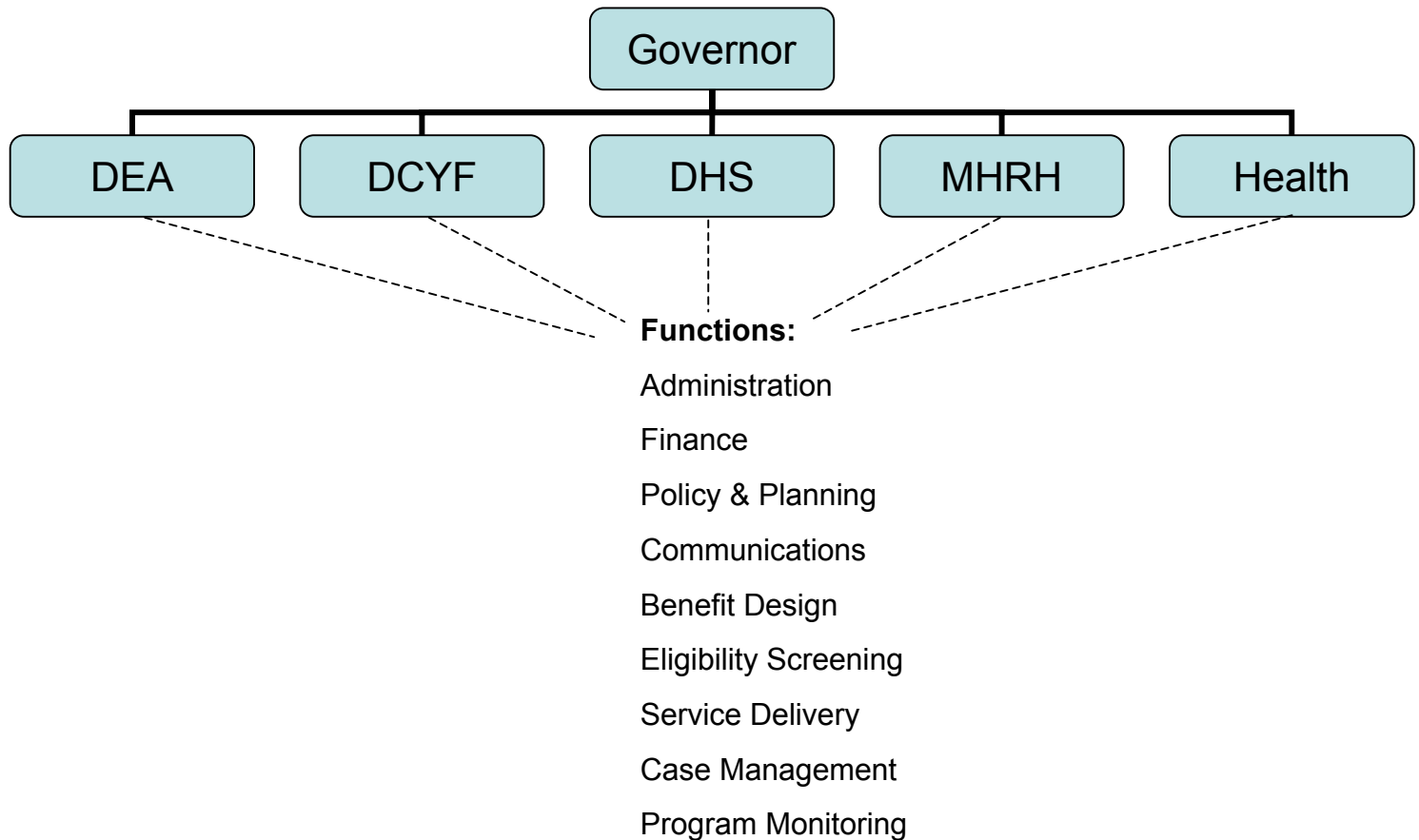
- Create a Secretariat for Health and Human Services to drive the activities of 5 interrelated departments
 - Department of Human Services
 - Department of Children, Youth and Families
 - Department of Elderly Affairs
 - Department of Health
 - Department of Mental Health, Retardation and Hospitals



What We Need To Do

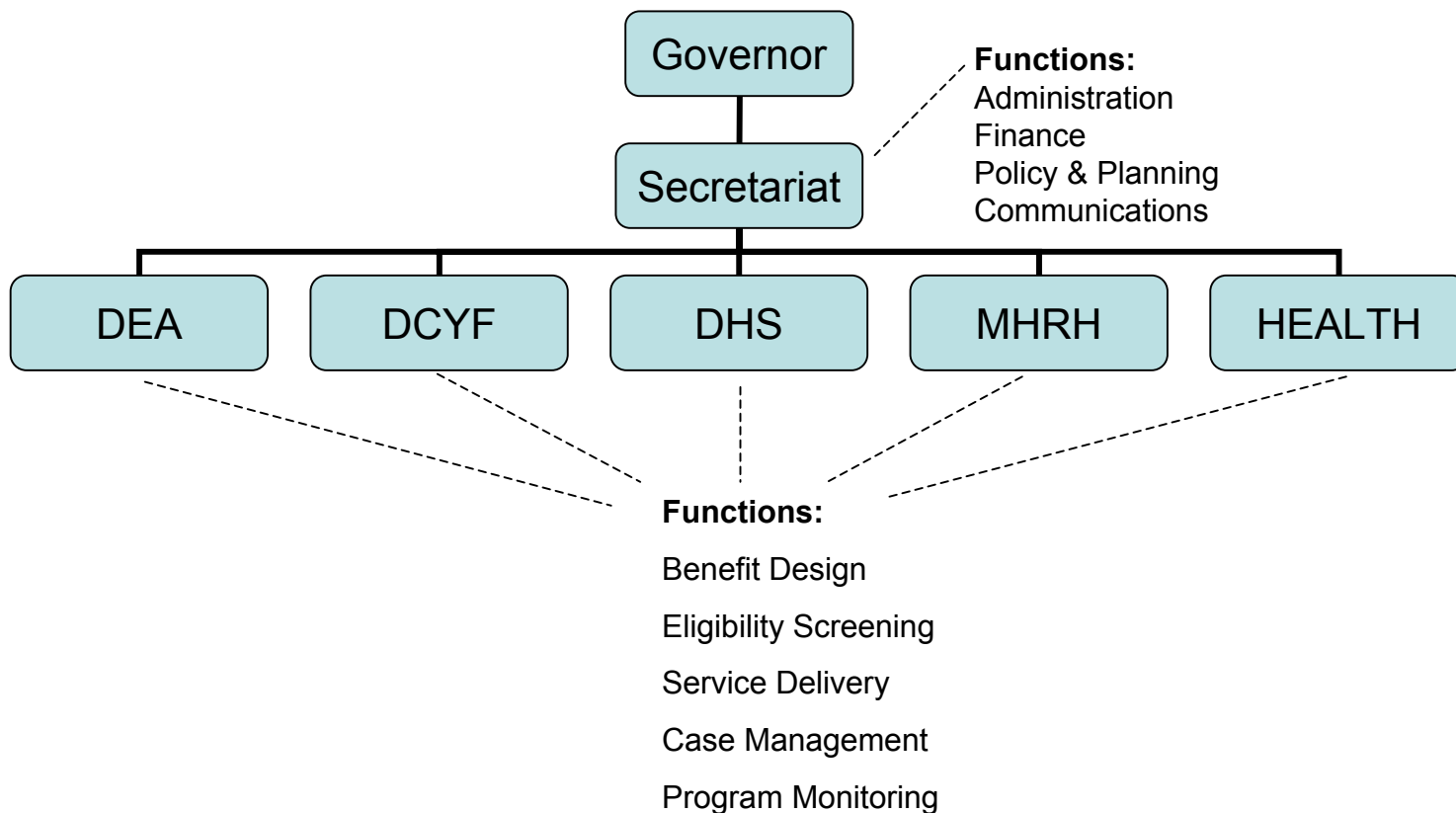
- Centralize administration, budget, finance, policy, planning, communications
 - Leave agencies intact to run specific programs
 - Improve case management for families – based on their needs, not our organization
 - Improve eligibility re-certification - serve those truly eligible
 - Implement an aggressive fraud and abuse program
- 

HHS Before



Health and Human Services

HHS After



What We Will Save

- **Personnel savings** **\$10,000,000**
Secretariat FTEs, DCYF OT, Streamline DOH
- **Operational savings** **\$62,000,000**
*Long term care collections, Eligibility monitoring,
Centralized purchased services, Managed Care*
- **Overhead savings** **\$ 400,000**



Total HHS Savings: \$72,400,000



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Big Idea #3

Centralize Public Safety

Strengthen Homeland Security






Public Safety & Homeland Security

What We Need To Do

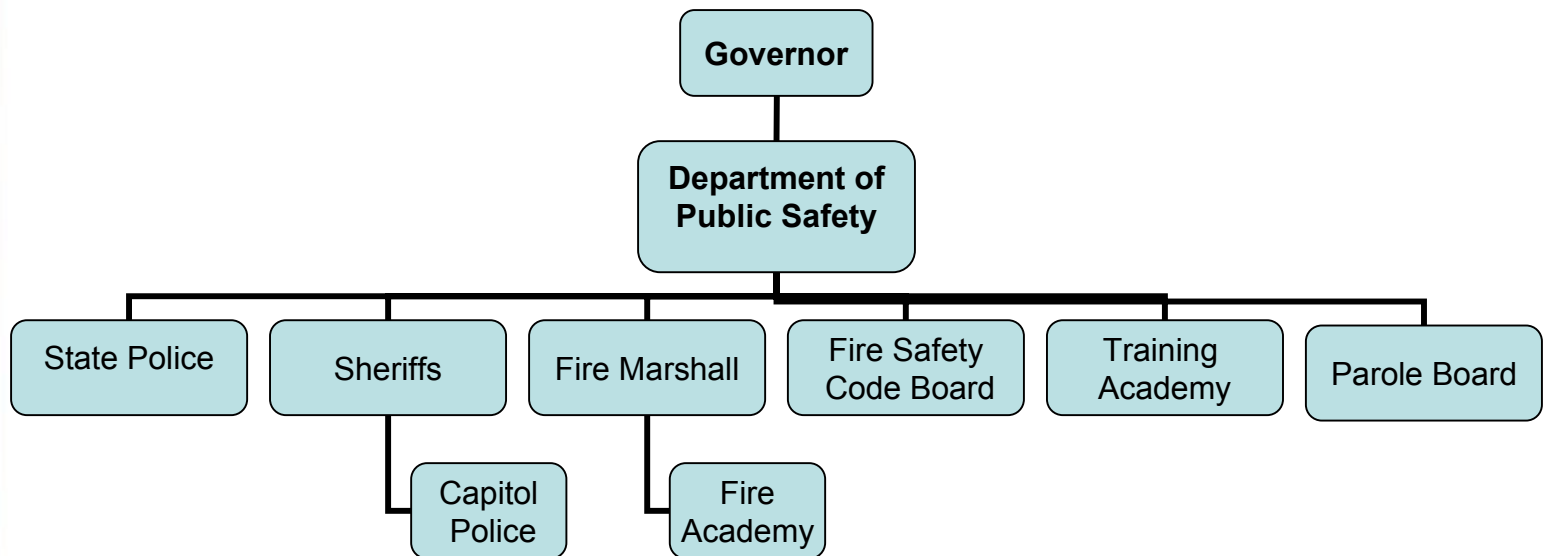
- Consolidate multiple agencies—create two new departments
- Department of Public Safety
 - Rhode Island State Police, State Crime Lab
 - State Sheriffs, Capitol Police
 - Fire Marshall, Fire Safety Board, Fire Academy
 - Unified training academy
 - Parole Board
- Department of Homeland Security
 - EMA
 - E-911
 - National Guard



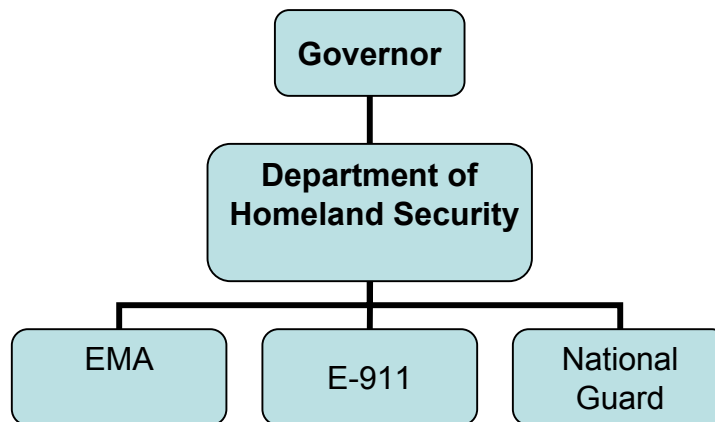
What We Need To Do

- 
- Establish consistent policies for hiring, training, evaluation and promotion
 - Standardize technology, communication and equipment
 - Unify sheriffs and capitol police
 - Create a Unified Training Academy
 - Consolidate the state's crime laboratories
 - Elevate EMA from National Guard to improve state's disaster response mechanism

Public Safety & Homeland Security



Public Safety & Homeland Security





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Additional Actions to Improve Government

- Consolidating redundant functions across departments

Water Regulation to DEM , Professional Trades Licensure to DBR

- Streamlining departments

DOT, DEM , DLT

- Controlling overtime

DOT

- Better technology in the field

Videoconferencing, Single side Toll Booths & EZ pass

Cost Savings: \$17,100,000



Fiscal Fitness *Savings Summary*

Personnel Reforms

\$75,000,000

Consolidating agencies, reducing consultant and overtime expenses, renegotiating benefits, 200 FTE reductions

Operational Efficiencies

\$72,000,000

Cracking down on fraud and abuse, centralizing services, gaining bulk purchasing reforms, cutting bureaucracy.

Overhead Savings

\$ 3,000,000

Cutting leases, closing under-utilized facilities, consolidating technology support systems

Improved Collections/Revenue

\$30,000,000

Pursuing tax delinquents, selling off surplus property



TOTAL

\$180,000,000



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End Results

- Cost Savings:
 - \$180,000,000 annual taxpayer savings
 - \$650,000,000 five-year taxpayer savings
- Better Management:
 - Modernized government management
 - Precise tracking of state income, assets and spending
 - Elimination of excess overhead, duplicate functions





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End Results



- Better workforce:
 - Re-energized workforce with the tools, training and support to perform at a high level
 - Fair and unified standards for employee hiring, training and promotion
 - Employees recognized for superior performance
- Better Services:
 - Improved technology to assist customers
 - Enhanced public safety post-September 11
 - Social services better geared toward family needs



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Setting The Stage



- Two to three year implementation
- Components:
 - Administrative
 - Legislative
 - Labor
- Record low headcount provides flexibility for achieving personnel goals



Get On Board

- Plan is achievable
- Opportunity is enormous
- Watershed moment in Rhode Island history
- It will take a strong, unwavering and unified effort
- Multiple stakeholders involved
- If we do nothing, the problem gets worse
- Rhode Island can be a “shining star”
- Let’s shape-up Rhode Island government
- Get on board!

